

Registration number: 03174407

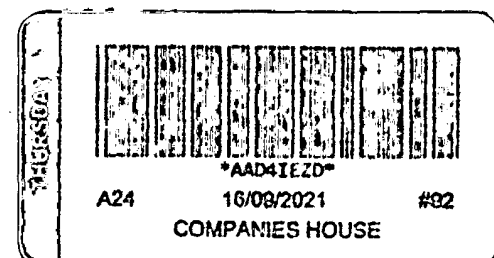
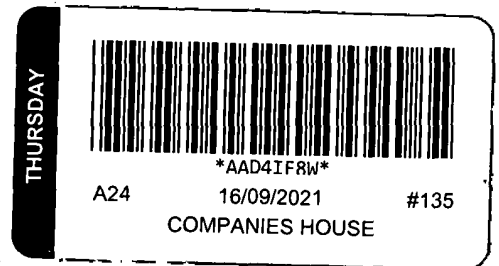
Birchwood Garages Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2020

**LUCRAFT
HODGSON
DAWES**



Lucraft Hodgson & Dawes LLP
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Rustington
Littlehampton
West Sussex
BN16 3BZ



Birchwood Garages Limited

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Birchwood Garages Limited

Company Information

Directors Mr I Sexton
 Mr CJ Hunt

Company secretary Mr SD Rebbetts

Registered office Lottbridge Drove
 Eastbourne
 East Sussex
 BN23 6PX

Auditors Lucraft Hodgson & Dawes LLP
 2/4 Ash Lane
 Rustington
 Littlehampton
 West Sussex
 BN16 3BZ

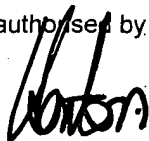
Birchwood Garages Limited**(Registration number: 03174407)**
Balance Sheet as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	3	2	-
Investment property	4	6,136	6,136
Investments		1	1
		6,139	6,137
Current assets			
Debtors	6	723	889
Cash at bank and in hand		558	390
		1,281	1,279
Creditors: Amounts falling due within one year	7	(62)	(136)
Net current assets		1,219	1,143
Total assets less current liabilities		7,358	7,280
Provisions for liabilities		(351)	(314)
Net assets		7,007	6,966
Capital and reserves			
Called up share capital		12,075	12,075
Profit and loss account		(5,068)	(5,109)
Total equity		7,007	6,966

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 31 August 2021 and signed on its behalf by:



Mr I Sexton
Director

The notes on pages 3 to 12 form an integral part of these financial statements.

Birchwood Garages Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Lottbridge Drove

Eastbourne

East Sussex

BN23 6PX

These financial statements were authorised for issue by the Board on 31 August 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Sterling, which is also the company's functional currency. The financial statements are rounded to the nearest £1,000.

Going concern

The financial statements have been prepared on a going concern basis. As an investment company the company has not been significantly impacted by the coronavirus pandemic and the directors believe the going concern basis remains appropriate.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 31 August 2021 was Adam Hickie ACA CTA, who signed for and on behalf of Lucraft Hodgson & Dawes LLP.

Birchwood Garages Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Motor vehicles	25% reducing balance

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Birchwood Garages Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Intangible assets are stated in the statement of financial position at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Asset class	Amortisation method and rate
Goodwill	15 years straight line
Computer software and website development	3 years straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Birchwood Garages Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

The company acts as a lessor by letting investment property and by sub letting certain operating leases. Rentals receivable under these leases and subleases are credited to the profit and loss account on a straight line basis over the period, even if payment are not received on such a basis.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Birchwood Garages Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2 Accounting policies (continued)

Financial instruments

Classification

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Recognition and measurement

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised costs using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow, discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary shares are measured:

- at fair value with changes recognised in the income statement if the shares are publically traded or their fair value can otherwise be measured reliably;
- at cost less accumulated impairment for all other investments.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying value and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Birchwood Garages Limited**Notes to the Financial Statements for the Year Ended 31 December 2020**

3 Tangible assets

	Motor vehicles £ 000	Total £ 000
Cost or valuation		
Additions	2	2
At 31 December 2020	2	2
Depreciation		
Carrying amount		
At 31 December 2020	2	2

4 Investment properties

	2020 £ 000
At 1 January	6,136
At 31 December	6,136

Investment property was revalued on an open market basis by Vail Williams LLP, a RICS Registered Valuer, at £6.1m.

5 Investments

	2020 £ 000	2019 £ 000
Investments in associates	1	1
	1	1

Associates	£ 000
Cost	
At 1 January 2020	1
Provision	
Carrying amount	
At 31 December 2020	1
At 31 December 2019	1

Birchwood Garages Limited**Notes to the Financial Statements for the Year Ended 31 December 2020**

5 Investments (continued)

Aggregate financial information of associates

	2020 £ 000	2019 £ 000
Revenues	74,772	97,277
Profit or loss	134	230

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Associates				
Birchwood Intermediate Limited	Lottbridge Drove, Eastbourne, East Sussex England & Wales	Ordinary	40%	40%
Birchwood Motor Group Limited	Lottbridge Drove, Eastbourne, East Sussex England & Wales	Ordinary	40%	40%

Associates

Birchwood Intermediate Limited

The principal activity of Birchwood Intermediate Limited is non trading. The profit for the financial period of Birchwood Intermediate Limited was £Nil and the aggregate amount of capital and reserves at the end of the period was £1,000.

Birchwood Motor Group Limited

The principal activity of Birchwood Motor Group Limited is retail and servicing of motor vehicles. The profit for the financial period of Birchwood Motor Group Limited was £134,163 and the aggregate amount of capital and reserves at the end of the period was £66,886.

Birchwood Garages Limited**Notes to the Financial Statements for the Year Ended 31 December 2020**

6 Debtors

	Note	2020 £ 000	2019 £ 000
Trade debtors		17	62
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9	679	800
Prepayments		27	27
		723	889

7 Creditors

Creditors: amounts falling due within one year

	Note	2020 £ 000	2019 £ 000
Due within one year			
Trade creditors		27	41
Social security and other taxes		-	9
Accrued expenses		17	67
Income tax liability		18	19
		62	136

8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.10 each	120,754	12,075.37	120,754	12,075.37

Birchwood Garages Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

9 Related party transactions

Summary of transactions with all associates

The company has an associate, Birchwood Motor Group Limited.

The company rented business premises to its associate.

Outstanding balances with related parties are unsecured, interest free and cash settlement is expected within 30 days of invoice.

Income and receivables from related parties

2020	Associates £ 000
Leases	200
	200

2019	Associates £ 000
Leases	200

Expenditure with and payables to related parties

2020	Associates £ 000
Purchase of property or other assets	2
	2

2019	
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Birchwood Garages Limited**Notes to the Financial Statements for the Year Ended 31 December 2020**

9 Related party transactions (continued)

Loans to related parties

2020	Associates £ 000
At start of period	800
Repaid	(122)
At end of period	678

2019	Associates £ 000
At start of period	935
Repaid	(135)
At end of period	800

Terms of loans to related parties

Loans owed by subsidiaries and associates are unsecured, non-interest bearing and repayable on demand.

10 Parent and ultimate parent undertaking

The ultimate controlling party is Mr MJ Hunt.